



# MAYOR & COUNCIL MEMORANDUM

May 20, 2014

Subject: Process for Development of City-Owned Land West of I-10, Page: 1 of 4  
South of Cushing Street (Ward 1)

Issue – On February 24, 2014, the Mayor and Council directed staff to work with the Urban Land Institute (ULI) stakeholder group, City departments, and City Council to outline a process to move forward with the sale of City-owned land on the west side of I-10, south of Cushing Street, and codifying cultural components. The Council directed the process to include: 1) an analysis of the highest and best use of land development that keeps pace with the timing of the streetcar, 2) an analysis of the highest and best use for the preservation of Rio Nuevo cultural components including identifying funding mechanisms to help complete the cultural facilities through the development of the land, 3) pre-development planning with stakeholders, Rio Nuevo funding for Mission Gardens, based on the \$1.1 million committed, and other cultural facilities, prioritization and scoping of county bond funds (not to be prioritized above other critical needs and projects) for west side investments, including a visitor center and parking garage.

City Manager's Office Recommendation – It is recommended that the Mayor and Council direct staff to move forward with the process outlined in this Memorandum to bring the west side lands south of Cushing Street forward for development.

Background – The City owns 27.6 acres of vacant land adjacent to the western terminus of the Streetcar line south of Cushing Street. The property is bounded by Cushing Street on the north, the Santa Cruz River on the east, Mission Lane on the South, and Barrio San Agustin on the west (see Attachment A). To the north of this area, the City is in a development agreement with The Gadsden Company. To the south, the property is to be owned by Rio Nuevo, and Pima County owns the Mission Garden site.

The 27.6 acre City property offers both opportunities and challenges: a prime downtown location along the streetcar route, the home of Tucson's cultural and historic birthplace at the base of A-Mountain, yet burdened by closed landfills that need to be mitigated prior to development.

There already exists a significant amount of planning guidance for this property. The 1999 Rio Nuevo Plan contemplated this area as museums, archeological sites, and reconstructed historical buildings. The Tucson Origins Heritage Park Plan (Attachment B) provides details for the design of the Mission Complex, S-cukson Native American archeological sites, and a festival area, all located on this City-owned land. The Menlo Park position statement (Attachment C) provides recommendations for development of these lands, taking into account the changes in the economy and funding realities since the Rio Nuevo plans were developed. The Urban Land Institute Advisory Service Panel that was held in November 2013 provided guidance for development of this area based on current market conditions and development potential (Attachment D). The Streetcar Land Use Planning process also provides guidance for development of this area (Attachment E). The revisions underway to the Infill Incentive District will likely be the most efficient tool to provide the zoning requirements and design regulations for these lands as they are developed.

Present Considerations – The following process is recommended to bring this property forward for development per the parameters and goals directed by the Mayor and Council:

□ **Phase 1 (April – September 2014) – Due Diligence**

Initially, staff recommends that additional due diligence be undertaken for these lands. This will include a detailed review of existing plans and guidance documents, updated analysis of site conditions and constraints, individual meetings and conversations with stakeholders, and assistance from outside expertise to determine the best approach to the development of this property that will generate revenue and leverage resources to provide for landfill remediation, achieve the development of the cultural components and necessary infrastructure within and around the site. Some of the specific steps will include:

Meetings with Stakeholders and Experts

- Ongoing meetings of ULI Implementation Committee & ULI Westside Lands Subcommittee
- Conversations with Barrio San Agustin Neighbors regarding infrastructure and appropriate transitions
- Discussions with Friends of Tucson's Birthplace
- Meetings with other neighborhood representatives
- Discussion of TUSD presence in the area with HT Sanchez
- Conversations with developers, lenders, real estate experts

Further Analysis of Existing Conditions

- Identify the archeology and remaining landfill issues on and around the site
- Further define the buildable areas vs. cultural areas
- Evaluation of underground and adjacent utilities
- Coordination with planned road and park improvements in the area
- Review wildlife corridors and connections
- Review/update costs for landfill remediation
- Review/update costs and phasing plan for cultural components
- Review parking garage construction drawings and consideration

Coordination with Other Projects/Investments

- Introduction of reclaimed water for creation of riparian areas
- Visitor Center
- Other potential Pima County Bond Projects
- Rio Nuevo development plans to the south
- Gadsden development plans to the north

Research of Development Approaches, Implementation Tools, and Potential Incentives

- Determine best approach to Request For Proposal (RFP) and deal structure to achieve development goals
- Identification of funding mechanisms and structures to construct cultural components, to remediate landfill, and to construct needed infrastructure (e.g. improvement or community facilities district)
- Identify regulatory or policy mechanism to codify cultural components
- Identify potential developer incentives, including consideration of City participation in parking garage, landfill remediation, etc.

Draft Development Goals and Project Givens

- Based on above input and analysis, and review of planning guidance and approved plans, identify development goals, givens and parameters for future development of the property

□ **Phase 2 (September 2014 – January 2015) – Develop RFP**

This phase will include formal public meetings to review a draft RFP (similar to Ronstadt Transit Center process), and establishment of zoning and land use guidance through the Infill Incentive District (IID) process. Some of the specific steps will include:

Public Review of Development Goals and Project Givens

- Conduct formal stakeholder review and input process (similar to what was done for Ronstadt)
- Preparation of RFP document

Land Entitlement

- Conduct land survey to establish property boundaries
- Subdivide/re-plat land per survey results
- Complete Infill Incentive District amendments to establish zoning, regulations, design requirements, and design review for the developable property

Approval by Mayor and Council

- RFP document and review/selection process
- Funding mechanisms to construct cultural components, remediate landfill, and build infrastructure
- Approach to codifying cultural components

MAYOR AND COUNCIL MEMORANDUM

Process for Development of City-Owned Land West of I-10, South of Cushing Street (Ward 1) Page: 4 of 4

□ **Phase 3 (February 2015 – December 2015) – Issue RFP, Select Developer, Negotiate Agreement**

- Release RFP and conduct review process
- Mayor and Council approval of land sale and development agreement
- Codification of cultural elements

Financial Considerations – The majority of the work described above can be done in-house by City staff. Outside technical expertise will need to be brought in as necessary for various tasks such as land surveying, landfill mitigation analysis, development agreement structure, infrastructure funding methods, etc.

Legal Considerations – The City Attorney's Office will assist and advise staff in all phases of the process outlined above.

Respectfully submitted,



Richard Miranda  
City Manager

RM:NEG

Attachments: A – Map of Westside Lands South of Cushing St.  
B – Tucson Origins Heritage Park Plan  
C – Menlo Park Position Statement  
D – Excerpt from ULI Report Regarding West Side Lands  
E – Streetcar Land Use Planning Guidance for West Side